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OFFICE OF THE SECRETARY

February 17, 2000

Ms. Magalie Roman Salas
Secretary, Federal Communications Commission
445 12th Street, S.W., Room TW-A325
Washington, D.C. 20554

Ex Parte Presentation

RE: CC Docket 00-4, Application by SBC Communications, Inc. for Authorization to
Provide In-Region, InterLATA Services in Texas

Dear Ms. Salas:

Pursuant to the requirements of Sections 1.1200 et seq. of the Commission's rules, you are hereby notified on behalf of NEXTLINK Communications, Inc. that Nancy Krabill, Director, Regulatory Affairs, Michael Draper, Director, Provisioning and Engineering, Lea Barron, Manager, Provisioning and the undersigned met with John Stanley, Bill Agee, Bill Dever, Jessica Rosenworcel, Audrey Wright, and Claudia Fox of the Common Carrier Bureau Policy Division, Pete Young of the Common Carrier Bureau Audits Division, and Alex Belinfante of the Common Carrier Bureau Industry Analysis Division.

NEXTLINK representatives met with Common Carriers Bureau staff on February 16 to discuss issues relating to the pending application by SBC Communications, Inc. for authorization to provide in-region, interLATA services in Texas. At this meeting, NEXTLINK reiterated its position presented to the Commission in the CLEC Coalition comments already on file in CC Docket 00-04. A copy of NEXTLINK's presentation is attached.

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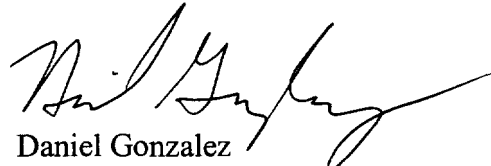
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Should there be any questions regarding this matter, please do not hesitate to contact me.

Sincerely,



Daniel Gonzalez
Director, Regulatory Affairs

Enc.

cc: John Stanley, Policy Division
Bill Agee, Policy Division
Pete Young, Audits Division
Bill Dever, Policy Division
Jessica Rosenworcel, Policy Division
Audrey Wright, Policy Division
Alex Belinfante, Industry Analysis Division
Claudia Fox, Policy Division

SWBT 271 Application for Texas

NEXTLINK Communications, Inc.

February 16, 2000

FCC Meeting

NEXTLINK in Texas

- Currently providing service in Texas to business customers over wireline and fixed wireless facilities
 - Began providing service in Dallas market in December, 1998
 - launched service in Houston in September, 1999
- Active CLEC Coalition participant in Texas PUC 271 collaborative process.

SWBT's 271 Application

- NEXTLINK is not interested in preventing SWBT from entering the long distance market.
 - To the contrary, NEXTLINK previously supported Bell Atlantic's application to enter the LD market in N.Y.
- SWBT's Texas application, however, is not comparable to the Bell Atlantic-NY application in several critical areas.
- SWBT's application must be denied because it does not meet the Sec. 271 checklist requirements.

Department of Justice Recommendation

- DOJ has recommended that the FCC reject SBC's 271 Application.
- DOJ found that:
 - SBC had not demonstrated that it is providing non-discriminatory access to its loops, to companies offering xDSL services and those offering traditional voice service;
 - SBC's performance in providing voice loops falls short of the level that the FCC described as "minimally acceptable" when it approved Bell Atlantic's N.Y. application; and
 - "Because of SBC's deficient performance, carriers seeking to use unbundled loops are constrained, and the market is not fully open to competition."

NEXTLINK's Texas Experience

- NEXTLINK's experience with SWBT in the Texas local telecom market confirms DOJ's findings.
 - SWBT's reliance on manual processes for OSS impedes local competition in Texas:
 - manual processing causes delays and service outages that are not transparent to NEXTLINK's end-user customers and NEXTLINK is held accountable in the marketplace for these deficiencies;
 - SWBT's own data admits that over 50% of UNE-loop orders fall out for manual processing;

SWBT Reliance on Manual Processes for OSS

- Examples of problems associated with SWBT's manual processes include:
 - inability to communicate directly with SWBT reps, upon rejection of an order, regarding that specific reject and any “work around” to resolve problem;
 - inability to coordinate related orders, or RPONs for CLECs, however, it retains the capability to relate such orders within its own internal systems;
 - inability to relate “C” and “D” orders for the same service, if the “D” order is worked prior to the “C” order, the result is that NEXTLINK customer loses service;

SWBT Reliance on Manual Processes for OSS

- inability to identify availability of underlying operational network facilities;
- manual processes for data collection skew time stamps on LSR receipt;
- fallout of orders at the end of the process has resulted in double billing of CLEC business customers and deletion of vital directory listing information;
 - Texas PUC addressed this problem and believed that SWBT's "Error Resolution Team" would resolve this problem. To date, however, this matter has yet to be resolved.

SWBT's Reliance on Manual Processes for OSS

- Problems created by SWBT's Manual processes require NEXTLINK to expend considerable resources to establish an administrative "safety net."
- Existing service problems call into question whether SWBT's OSS systems can handle commercial volumes that will increase as competition expands.

Hot Cut Provisioning

- As acknowledged by DOJ, SWBT's reported hot cut performance in Texas is inferior to Bell Atlantic's performance in N.Y.
- NEXTLINK's ability to successfully perform hot cuts is greatly impeded by SWBT's inability to provide operational facilities.
 - In a recent data sample taken during the last week of December 1999, over 30% of NEXTLINK's completed hot-cut orders were directly affected by non-operational SWT facilities.
 - As a result, NEXTLINK must add additional time to our end-user customer installation interval in order to provide uninterrupted quality service.

Reliance on SWBT Performance Measures

- 10/99: NEXTLINK creates internal performance tracking program. Data reveals:
 - SWBT's performance measurements fail to track all of NEXTLINK transactions (i.e., average delay days due to the lack of facilities - - order subject to this measurement)
 - NEXTLINK's data collection program raises questions regarding the accuracy of SWBT's reported results.
 - e.g., discrepancies regarding reported "percent firm order confirmations ("FOCs") received within "x" hours."
- Even if reported results are accurate, for certain measurements, SWBT's reported results demonstrate non-parity service.

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Reliance on SWBT's Performance Measures

- Discrepancies discovered in NEXTLINK's tracking program appears to call into question the accuracy of SWBT's reported performance.

Telcordia Report

- In N.Y., the 3rd party test that was part of the record in Bell Atlantic's N.Y. application was broad, independent and robust and played a central role in opening the NY market to competition.
 - In comparison, the Telcordia test was far less comprehensive, blind and independent.
- Unlike, the N.Y. KPMG test, the Telcordia test did not test the wholesale support processes for CLECs besides AT&T and MCI
- More importantly, Telcordia focused on SBC's computer systems and did not test SBC's wholesale support systems generally.